



California Public Employees' Retirement System
Operations Support Services Division
P.O. Box 942701
Sacramento, CA 94229-2701
TTY: (877) 249-7442
(916) 795-3003 phone • (916) 795-3240 fax
www.calpers.ca.gov

Agenda Item 3a

October 18, 2011

TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

- I. **SUBJECT:** Proposed Amendments to Board Election Regulation Section 554.4 Candidate Statement
- II. **PROGRAM:** Operations Support Services Division
- III. **RECOMMENDATION:** Staff recommends the Committee accept and the Board approve the proposed amendment changes to the Board Election Regulation 554.4 Candidate Statements.

IV. ANALYSIS:

Historically, there has been a low percentage of voter participation in the Board of Administration election process. The issue of increasing voter participation has been addressed in the past by the CalPERS Board. Staff recommended several new actions to increase voter participation in the March 2010 and again in the March 2011 Benefits and Program Administration Committee (BPAC) meeting.

In an effort to find out why more members are not participating in the CalPERS Board election, staff conducted a Board Election Survey in December 2010. Forty-seven percent of the survey participants indicated that they did not vote because of insufficient information about the candidates. The members expressed that they would like to be informed on the candidates' financial disclosures, financial skills, investment experience, political affiliation, voting records, and position statements on relevant issues.

All candidates receive a document, "CalPERS Board of Administration Candidate Information," with specific information and guidelines for preparing a candidate statement. Staff recommends adding a paragraph to this document to encourage candidates to disclose more detailed information in their candidate statements as requested by the survey respondents. The proposed language was reviewed and approved by the Legal Office and is attached for review (Attachment A).

Currently the candidates are allowed by regulation (Board Election Regulation Statute 554.4) to submit a 200 word candidate statement and a 100 word addendum. Staff recommends increasing the number of words allowed in the candidate statement booklet to 300 words each for a maximum total of 600 words. The increase in words will allow candidates the opportunity to expand on their qualifications and position on issues. It was determined that 300 words would be the best fit on one page taking into consideration spacing for lines, bullet points and font sizes from different computers. It will not result in an increase in the number of pages in the candidate statement booklet or an increase in the printing and postage costs of the booklet.

A sample of the proposed candidate statement and addendum layout to reflect 300 words each is attached for your information (Attachment B). *Please note Attachment B contains "lorem ipsum or greeking text" for sample purposes only.* In publishing and graphic design, lorem ipsum is placeholder text (filler text) commonly used to demonstrate the graphic elements of a document or visual presentation, such as font, typography, and layout.

A regulation change would be required to increase the number of words in the candidate statement and addendum. Staff recommends approval of the Proposed Changes to Board Election Regulations 554.4 Candidate Statements (Attachment C) to allow the maximum number of words on the candidate statement to 300 words, and the maximum number of words on the addendum to 300 words for a maximum total of 600 words.

Upon approval from the Board to proceed with the regulation change the following regulation amendment process is planned:

- Publication of the Notice of Proposed Regulatory Action package in the California Regulatory Notice Register
- A minimum 45 day written comment period
- A public hearing scheduled for the BPAC meeting
- Final Board approval
- Transmission to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations.

The amended regulations will become effective 30 days after filing with the Secretary of State.

Also, staff is working with the Information Technology Services Branch and the Office of Public Affairs to develop a tool which would provide candidates with the option to submit their statements and addendums electronically. This tool would

have automatic, preset formatting guidelines, such as a maximum word count, set fonts and design standards. This would allow the candidates the ability to submit their forms in a convenient and timely manner and allow the candidate more opportunity to view their documents and make changes. The use of the online tool for submitting candidate statements and addendums would be optional. A reference to the online tool would be included in the instructions sent to the candidates.

V. RISKS

There is no risk to members, employers or other stakeholders for accepting or not accepting the recommendation.

VI. STRATEGIC PLAN:

This item is not a specific part of the Strategic Plan, but is part of the regular and ongoing workload of the Operations Support Services Division.

VII. RESULTS/COSTS:

There is no cost associated with the recommended increase in words in the candidate statement.

KIMBERLY A. MALM, Chief
Operations Support Services Division

STEPHEN W. KESSLER
Deputy Executive Officer
Operations and Technology

Attachments